

ORIGINAL

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 070103-EI

1 APPROVAL OF THE ELECTRIC FUEL SUPPLY CONTRACT AND RELATED TERMS AND CONDITIONS
2 BETWEEN GULF POWER COMPANY AND FLORIDA PUBLIC UTILITIES FOR THEIR NORTHWEST
3 DIVISION (MARIANNA) BEGINNING 2008

Direct Testimony of
Mark Cutshaw
On Behalf of
Florida Public Utilities Company

- 4 Q. Please state your name and business address.
- 5 A. Mark Cutshaw, 911 South 8th Street, Fernandina Beach, FL 32034.
- 6 Q. By whom are you employed?
- 7 A. I am employed by Florida Public Utilities Company.
- 8 Q. Have you previously testified in a fuel related Docket?
- 9 A. Yes.
- 10 Q. What is the purpose of your testimony at this time?
- 11 A. I am here to explain the measures we have taken and plan to take
12 with respect to educating our customers on the upcoming expected
13 fuel increases.
- 14 Q. What is the company going to do to alert and prepare customers of
15 the expected rate impact?
- 16 A. The following is a list of past events that have informed
17 customers of what will occur going forward regarding electricity
18 cost, plus other items that are planned.
- 19 1. On May 6, 2005, FPU filed a petition (Docket #050317-EI) to
20 begin gradually increasing prices in preparation for the
21 increased cost of wholesale power.
- 22 2. During September 2005 public notices were published concerning
23 the petition, projected prices and customer hearings to be held
24 in both divisions.
- 25 3. During October 2005 customer hearings were held in both

CMP _____
COM 5
CTR org
ECR _____
GCL 1
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RCA _____
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OTH _____

1 divisions in which customers were provided information
2 regarding planned future increases and customer comments were
3 taken. Media coverage of these meetings was published in
4 newspaper in each division.

- 5 4. At the November 2005 FPSC agenda conference, company and
6 customer testimony was presented to the commission in this
7 matter. The Public Service Commission denied the rate request.
- 8 5. In January 2006 the company contracted for public relations
9 assistance with Curley & Pynn, Maitland, Florida. Curley &
10 Pynn has vast experience within the power industry and has
11 provided assistance with developing a plan for communicating
12 this issue to our customers.
- 13 6. During May and June 2006, a customer survey of electric
14 customers in both divisions was completed. One of the areas
15 included in the survey was how customers would prefer to see an
16 increase occur (i.e. gradually or all at once). The survey
17 also included a more detailed survey of specific community
18 leaders in each division.
- 19 7. Media releases have occurred during the first half of 2006
20 regarding energy usage and how customers can reduce their power
21 costs.
- 22 8. A communication strategy has been developed to provide more
23 detailed information to customers prior to the increase in
24 electric costs. The strategy will be finalized after
25 confirmation of the extent and timing of the rate increases.
- 26 9. The communication strategy will include finalizing the internal
27 infrastructure to provide needed information to customers,
28 educating employees to accurately communicate information to

1 customers, communicating with community leaders and
2 organizations, and utilizing the media to communicate to
3 customers. A customer outreach program that will involve other
4 entities in the community is also being considered.

5 Q. What was your involvement with the procurement process on this new
6 fuel contract for the Northwest division?

7 A. I was involved on the team that reviewed and made the fuel
8 decision with the assistance of an outside Consulting firm for our
9 new fuel contract.

10 Q. Does that conclude your testimony?

11 A. Yes.